

**ACCOUNTS FOR
THE 3RD QUARTER ENDED
MARCH 31, 2014
(UNAUDITED)**



Pak Leather Crafts Limited



Pak Leather Crafts Limited

CORPORATE PROFILE

CHAIRMAN & CHIEF EXECUTIVE BANKERS

Muhammad Saleem Ahmed Al baraka Bank Pakistan Ltd
Habib Bank Limited
Industrial Development Bank Ltd

BOARD OF DIRECTORS

Dr. Muhammad Shoaib Ahmed United Bank Limited
Nayer Ahmed Jalali Habib Metropolitan Bank Ltd
Azeem Ahmed Soneri Bank Ltd
Bilal Ahmed Faysal Bank Limited
Umer Ahmed
Syed Fawad Hussain Rizvi

AUDIT COMMITTEE

Dr. Muhammad Shoaib Ahmed
Azeem Ahmed
Syed Fawad Hussain Rizvi

EXTERNAL AUDITORS

S. M. Rehan & Co.
Chartered Accountants

LEGAL ADVISOR

Shakeel Z. Lari Advocate

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Syed Asif Mahmood Rizvi

REGISTERED OFFICE & SHARES DEPARTMENT

Pak Leather Crafts Limited
Plot 18, Sector 7 - A,
Korangi Industrial Area,
Karachi.

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PAK LEATHER CRAFTS LIMITED

Plot 18, Sector 7 - A, Korangi Industrial Area,
Karachi. (Pakistan)

Ph: (92-21) 35064100 - 02, Fax: 35060109

Website: www.pakleather.com, e-mail: info@pakleather.com



Pak Leather Crafts Limited

DIRECTORS' REVIEW

The Directors' of your company are pleased to present hereunder to you the un-audited accounts of the company for the 3rd quarter ended March 31, 2014

The financial results for the nine months ended March 31, 2014 are as below.

	March 31 2014	March 31 2013
(Rs. In '000').....	
Loss before taxation	(13,148)	(39,202)
Taxation	33	(155)
Loss after tax	(13,115)	(39,357)
Accumulated loss B/F	(346,705)	(300,779)
Accumulated loss C/F	(359,820)	(340,136)
Loss per share after tax (Rupees)	(3.86)	(11.58)

Due to continued recessionary conditions in the international leather market, the bad economic & security conditions of the country, the net sales of the company for the nine month period ended March 31, 2014 restricted to Rs.4.449 (M). During the quarter period ended March 31, 2014, the Company sustained a nominal loss of Rs. 1.580(M) only as compared to the loss of previous quarter ended March 31, 2013 of Rs. 5.691(M).

It is hoped that due to the efforts of the management during the quarter ended June 30, 2014 the Company would be able to improve its sales and profit reasonably.

On behalf of the Board

MUHAMMAD SALEEM AHMED
Chief Executive

Karachi: April 28, 2014



Pak Leather Crafts Limited

CONDENSED INTERIM BALANCE SHEET (UNAUDITED) AS AT MARCH 31, 2014

	<u>Unaudited</u> March 31, 2014	<u>Audited</u> June 30, 2013
(Rs. In '000').....	
ASSETS		
Non-current assets		
Property, plant and equipment	19,686	20,777
Long term deposits	1,410	1,410
	<u>21,096</u>	<u>22,187</u>
Current assets		
Stores, spares and loose tools	580	755
Stock - in - trade	60,164	60,578
Trade debts - considered good	82,439	84,122
Loans, advances and other receivables	145	157
Tax refunds due from government	941	859
Cash and bank balances	328	237
	<u>144,597</u>	<u>146,708</u>
TOTAL ASSETS	<u><u>165,693</u></u>	<u><u>168,895</u></u>
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorised capital		
5,000,000(June 30, 2013: 5,000,000) ordinary shares of Rs. 10 each.	<u>50,000</u>	<u>50,000</u>
Issued, subscribed and paid up capital	34,000	34,000
Accumulated loss	<u>(359,820)</u>	<u>(346,705)</u>
	<u>(325,820)</u>	<u>(312,705)</u>
Non-current liabilities		
Long term finance	-	-
Long term loans	43,461	37,256
Deferred liabilities	1,655	1,662
	<u>45,116</u>	<u>38,918</u>
Current liabilities		
Short term borrowings	207,529	207,529
Current portion of long term liabilities	62,571	62,572
Trade and other payables	51,670	51,849
Accrued Markup	124,627	120,732
	<u>446,397</u>	<u>442,682</u>
Contingencies and Commitments	-	-
TOTAL EQUITY AND LIABILITIES	<u><u>165,693</u></u>	<u><u>168,895</u></u>

The annexed notes form an integral part of these condensed interim financial statements.

MUHAMMAD SALEEM AHMED
Chief Executive

NAYYER AHMED JALALI
Director



Pak Leather Crafts Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2014

Note	For the Quarter ended		For the Nine Months ended	
	March.31 2014	March.31 2013	March.31 2014	March.31 2013
------(Rs. In '000')-----				
Net sales	1,750	2,957	4,449	15,418
Cost of sales	2,307	3,474	7,694	38,255
Gross profit / (loss)	(557)	(517)	(3,245)	(22,837)
Distribution cost	8	2	1,976	7
Administrative expenses	1,078	1,063	4,261	3,626
	1,086	1,065	6,237	3,633
Operating (loss)/profit	(1,643)	(1,582)	(9,482)	(26,470)
Other operating income	90	-	240	-
	(1,553)	(1,582)	(9,242)	(26,470)
Finance cost	9	4,079	3,906	12,732
Profit / (loss) before taxation	(1,562)	(5,661)	(13,148)	(39,202)
Taxation	18	30	(33)	155
Net Profit / (loss) after taxation	(1,580)	(5,691)	(13,115)	(39,357)
(Loss) per share - Basic and Diluted	(0.46)	(1.67)	(3.86)	(11.58)

CONDENSED INTERIM COMPREHENSIVE INCOME (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2014

Note	For the Quarter ended		For the Nine Months ended	
	March.31 2014	March.31 2013	March.31 2014	March.31 2013
------(Rs. In '000')-----				
Loss after taxation	(1,580)	(5,691)	(13,115)	(39,357)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(1,580)	(5,691)	(13,115)	(39,357)

The annexed notes form an integral part of these condensed interim financial statements.

MUHAMMAD SALEEM AHMED
Chief Executive

NAYYER AHMED JALALI
Director



Pak Leather Crafts Limited

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2014

	31, Mar. 2014	31, Mar. 2013
(Rs. In '000').....	
CASH GENERATED FROM OPERATIONS		
Loss before taxation	(13,148)	(39,202)
Adjustment for non-cash charges and other items:		
Depreciation	1,091	1,235
Provision for write down of inventories - net	-	2,355
Finance cost	3,906	12,732
	4,997	16,322
Operating (Loss) Before Working Capital Changes	(8,151)	(22,880)
Changes in Working Capital		
(Increase)/decrease in current assets		
Store, spares and loose tools	175	-
Stock-in-trade	414	26,582
Trade debts	1,683	(3,800)
Loan, advances and other receivables	12	591
	2,284	23,373
Increase/(Decrease) in current liabilities		
Trade and other payables	(179)	(9)
Cash generated from operations	(6,046)	484
Finance cost paid	(11)	(116)
Gratuity paid	(7)	(36)
Income tax paid	(50)	352
	(68)	200
Net Cash Flows From Operating Activities	(6,114)	684
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale proceeds of property, plant and equipment	-	-
Net Cash Used In Investing Activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings	-	-
Long term loan	6,205	-
Net cash used in financing activities	6,205	-
Net increase/(decrease) in cash and cash equivalents	91	684
Cash and cash equivalent at the beginning of the period	237	182
Cash and cash equivalent at the end of the period	328	866

The annexed notes form an integral part of these condensed interim financial statements.

MUHAMMAD SALEEM AHMED
Chief Executive

NAYYER AHMED JALALI
Director



Pak Leather Crafts Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2014

	Issued subscribed and paid up capital	Accumulated (Loss)	Total
(Rs. In '000').....		
Balance as at July 01, 2012	34,000	(300,779)	(266,779)
Loss for the period	-	(39,357)	(39,357)
Other comprehensive (loss)	-	-	-
Total comprehensive (loss)	-	(39,357)	(39,357)
Balance as at March 31, 2013	34,000	(340,136)	(306,136)
Balance as at July 01, 2013	34,000	(346,705)	(312,705)
Loss for the period	-	(13,115)	(13,115)
Other comprehensive (loss)	-	-	-
Total comprehensive (loss)	-	(13,115)	(13,115)
Balance as at March 31, 2014	34,000	(359,820)	(325,820)

The annexed notes form an integral part of these condensed interim financial statements.

MUHAMMAD SALEEM AHMED
Chief Executive

NAYYER AHMED JALALI
Director



Pak Leather Crafts Limited

**CONDENSED INTERIM
NOTES TO THE FINANCIAL STATEMENTS**

1. Pak Leather Crafts Ltd, is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and quoted on the Islamabad, Karachi and Lahore Stock Exchanges. The principal activity of the company is Leather tanning, Manufacturing of Leather garments and export of Leather and Leather Garments.
2. These financial statements are unaudited and are being submitted to the shareholders as required under section 245 of the Companies Ordinance 1984.
3. The accounting policies adopted for the preparation of these accounts are the same as those applied in preparing the accounts for the preceding period.
4. Figures have been re-arranged and re-classified, wherever necessary, to facilitate comparison.
5. These financial statements were authorized for issue on April 28, 2014 by the Board of Directors of the Company.

MUHAMMAD SALEEM AHMED
Chief Executive

NAYYER AHMED JALALI
Director